

Congress of the United States
Washington, DC 20515

May 7, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles E. Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20510

Dear Speaker Pelosi, Majority Leader McConnell, Minority Leader Schumer and Minority Leader McCarthy:

As you work to shape the next stimulus package to address the health and economic needs of the American people during the COVID-19 pandemic, we ask you to include provisions from the *Price Gouging Prevention Act* to ensure that American consumers have access to the products they need to protect their health and the health of their loved ones.

As COVID-19 quickly spread across the country, there was a surge in reports of companies and individuals exploiting the current crisis to prey on consumers by charging outrageous prices for affordable household staples like cleaning supplies, masks, and hand sanitizer. Research conducted by the U.S. Public Interest Research Group (PIRG) Education Fund confirmed rampant price gouging across Amazon's platform, finding that the "price of most of the sanitizers and masks rose at least 50 percent higher than the 90-day average."¹ Other examples include small bottles of hand sanitizer advertised for \$20, a pack of 20 face masks for \$100, and a package of disinfectant wipes that generally sells for \$13.57 increased to \$220.²

Due to the pervasiveness of this abhorrent practice, several state attorneys general across the country have taken action under state price gouging or consumer protection laws. However, the lack of a federal standard inhibits federal regulators from playing a robust role in enforcement that would fill critical gaps in state laws and support state efforts. The *Price Gouging Prevention Act* would establish a bright-line rule against price increases of 10 percent or higher on essential consumer goods and empower the Federal Trade Commission (FTC) and State Attorneys General to enforce the prohibition. Such a bright-line trigger has worked well at the state level, and is essential for giving enforcers the tools they need to act swiftly to protect consumers from exploitative pricing tactics.

¹ See News Release, U.S. Public Interest Research Group (PIRG), Coronavirus Worry Triggers Most Surgical Mask, Sanitizer Prices to Spike at Least 50% on Amazon (March 11, 2020), <https://uspirg.org/news/usp/coronavirus-worry-triggers-most-surgical-mask-sanitizer-prices-spike-least-50-amazon>

² See Elise Scmelzer, *Reports of Scams, Price Gouging in Colorado Trickle in as Coronavirus Anxiety Builds*, THE DENVER POST, (Mar. 16, 2020), online at <https://www.denverpost.com/2020/03/16/coronavirus-scams-colorado/>; see also Alexandra Berson and Daniela Hernandez, *Amazon Battles Counterfeit Masks, \$400 Hand Sanitizer Amid Virus Panic*, Wall Street Journal, (Mar. 11, 2020), online at <https://www.wsj.com/articles/amazon-battles-counterfeit-masks-400-hand-sanitizer-amid-virus-panic-11583880384>.

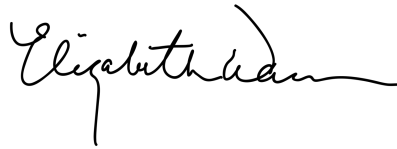
It is critically important we ensure that all Americans not only have access to the preventative health products they need, but also that they are not taken advantage of in an already economically stressful time. Short of that, we risk undermining our efforts to slow the spread and recover from the current crisis. We ask House and Senate Leadership to include provisions from our bill in the next legislative package to ensure that consumers have access to the items they need to protect themselves, their families, and their communities.

Thank you for your consideration of our request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Neguse".

Joe Neguse
Member of Congress

A handwritten signature in blue ink, appearing to read "Elizabeth Warren".

Elizabeth Warren
United States Senator

A handwritten signature in blue ink, appearing to read "Ted W. Lieu".

Ted W. Lieu
Member of Congress

A handwritten signature in blue ink, appearing to read "Kamala D. Harris".

Kamala D. Harris
United States Senator